

Message Text

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ACTION SS-30

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R 041400Z JUL 74
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TO SECSTATE WASHDC 7496
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STADIS////////////////////////////////

EXDIS

EYES ONLY FOR THE AMBASSADOR

E.O. 11652: GDS
TAGS: PFOR, EAGR, PN, CS
SUBJECT: CURRENT GOH TALKS WITH FRUIT COMPANIES

REF: STATE 138150

1. EMBASSY HAS NOT HAD ANY INFORMATION ON RECENT BANANA
TAX TALKS FROM EITHER OF THE COMPANIES OPERATING IN HONDURAS.
WE HAVE SOME KNOWLEDGE OF THE FOLLOWING CONVERSATIONS, HOWEVER.

(A) THE GOH MET SEPARATELY WITH BOTH COMPANIES DURING THE
WEEK OF JUNE 17-21. FONMIN BATRES TOLD US ON JUNE 21 THAT THE MEET-
INGS REVEALED THAT UNITED BRANDS CONTINUED TO BE MORE FORTHCOMING
THAN STANDARD. STANDARD, HE CONCLUDED, HAD OBJECTIONS TO THE BANANA
SURCHARGE, WHICH WERE BASICALLY POLITICAL OR IN PRINCIPLE, RATHER
THAN MERELY ECONOMIC.

(B) DURING HIS TRIP TO WASHINGTON, BATRES DICUSSED THE BANANA
PROBLEM WITH A STANDARD REPRESENTATIVE UNKNOWN TO OUR SOURCE.
BATRES RAISED THE POSSIBILITY OF GOH PARTICIPATION IN STANDARD
OPERATIONS IN HONDURAS. THE STANDARD REP PHONED KIRCHHOFF IN TOKYO,
WHO REPORTEDLY AGREED THAT CASTLE AND COOKE WOULD CONSIDER THE OFFER.
OUR SOURCE, A GOH MINISTER, HAD THE IMPRESSION THAT BATRES WAS
OFFERING UP TO 50 PERCENT. HE FURTHER STATED THAT HARVEY NELSON

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AND HOUSTON LACOMBE OF UNITED BRANDS HAD TOLD THE GOH THAT UNITED

WOULD GO ALONG WITH ANTHING THAT STANDARD APPROVED IN HONDURAS. OUR SOURCE THEN TRAPOLATED THIS TO MEAN THAT UNITED ALSO WOULD CONSIDER GOH PARTICIPATION, AND THOUGHT THAT AN AGREEMENT OF THIS NATURE WOULD "SOLVE THE PROBLEM." COMMENT: THIS IS DIFFICULT TO CONSTRUE, AND WE ARE INCLINED TO THINK THAT ALL THE INFORMATION BEYOND BATRES' OFFER AND KIRCHHOFF'S RESPONSE IS SPECULATION ON PART OF OUR SOURCE. GOH ACQUISITION OF 50 PERCENT OF EITHER OPERATION, LET ALONE BOTH OF THEM, WOULD BE BEYOND ITS REALISTIC GRASP AT THIS TIME. OUR INTERPRETATION OF REPORTED STATEMENT THAT UNITED WOULD GO ALONG WITH ANYTHING STANDARD APPROVES, IS THAT THIS REFERS TO SURCHARGE, IS ONLY A RECOGNITION THAT STANDARD IS TAKING MORE RESTRICTIVE POSITION. END COMMENT.

(C) HARVEY JOHNSON AND HOUSTON LACOMBE OF UNITED CONSULTED WITH GOH ON JUNE 28.

(D) AS TO ALLEGED STANDARD PLOT AGAINST GOH, LOCAL MINISTERS DO NOT BELIEVE IT IN LENGTHY AIRPORT DEPARTURE WAIT ON JUNE 21, FONMIN BATRES HAD TO FEND OFF NUMEROUS JOURNALISTS. HE TOLD A GROUP OF THEM HE WOULD NOT COMMENT ON SALVADOR PROBLEM, AND THAT THEY SHOULD INSTEAD WRITE ABOUT SOMETHING COLORFUL SUCH AS THE WORLD FOOTBALL MATCHES OR THE SUPPOSED STANDARD FRUIT PLOT. ON JUNE 28, MIN FONSECA TOLD DCM THAT PLOT STORY WAS "ABSOLUTE NONSENSE." FONSECA HAD SPENT ENTIRE PREVIOUS WEEK IN LA CEIBA SUCCESSFULLY SETTLING IMPASSE OVER UNION/COMPANY CONTRACT, AND AVOIDING STRIKE. PLOT REPORT HAS IN FACT BEEN DEPOLITICIZED AND PUT ASIDE BY ALL ELEMENTS IN COUNTRY, AND WAS NOT EVEN ENDORSED BY STANDARD UNION AT TIME OF ITS CONFRONTATION WITH COMPANY. SANCHEZ

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